1952-54

File No. LGD/1152

B CLASS

P.W. **DEPARTMENT**

K **BRANCH**

Subject:— Accounts of the Gadag El. Co. for the year ended 31-3-50 and 31-3-51

LGD 1152

File No. LGD/1152/K

Std. Sectt. Slip 24-B

G. R., C D., No. 2406, dated 22-6-22.]

DOCKET SHEET (B)

Subject:— Accounts of the Gadag Electric Supply Company Limited

File No. LGD. 1152.

Public Works DEPT.

K. BRANCH.

References:—

Date.	To whom sent.	Notes and instructions.

1 53 LQD 1152
1 34765

P. W. Department.
K.

Submitted.

2. The statements of accounts of the Gadag Electricity Undertaking for the years ended 31.3.50 & 31.3.51, together with the audit report thereon, may in the first instance be shown u.o. to the El. Engr. to Govt for information and remarks, if any.

19/4/52.

19/4/52

VMM. 1/3/52. AAS Encr. to the El. Engr. to Govt dtd the 21-4-52

ELECTRICAL ENGINEER
TO GOVERNMENT
Inward No. 1786
Date 22-4-1952
File No. LA-7
P. W. D., BOMBAY

Issue no (19.5.52)
19/4

Below U.O.R.No.LGD.1152/34765, dated 21-4-1952, from Government in the Public Works Department.

No. LA-7/7656 of 1952.

Bombay,1. 13th SEPTEMBER'52.

Returned with compliments.

2. Extract paras 5(a) (e), 9,10(a)(1,2,3,4,&6),11,14,15,& 16(a) of the audit report may be forwarded to the Gadag Electric Licensee,1936 for information and necessary action.

3. The requisite para to which the Examiner outside audit wants to invite attention of Government seems to be para 3 and not para 2 as stated in the examiner's letter No.OA/380, dated 10-4-1952. Extract para 3 may be forwarded to the Gadag Electric Licensee,1936, and they may be asked to explain why no valuation of the fixed asset has not been done so far. The Company may be asked to do it now and report the action taken by them to Government.

4. Para 10(a)(5) of the Audit Report.

General Stores consists of articles such as electric accessories, cement, iron bars, tools etc. The cost of these articles is taken into account (under average cost of stores) in the capital base to arrive at a reasonable return. It will not, therefore, be correct to charge depreciation on any of these articles. These articles when brought int use depreciation is charged on them according to the life prescribed as given in the seventh schedule.

5. Para 13 of the audit report.

As regards the remuneration of the Licensee as managing agents, attention is invited to para 8 of this office U.O.R.No.LA.5/3205,dated 7-6-1952.

Electrical Engineer to Govt

K
15-9

P. W. D.
LED 1152

85985

375. LQD 1152
85985.

KBr. PWD.

Submitted with refer. to the Govt. of the 19-4-52.

2. PC. see the El. Engr's note within. In view of paras 2 & 3 thereof the licensee may be addressed as per draft put up for appl.

3. As regards para 10(a)(5) of the audit report mentioned in para 3 of the El. Engr's note within, the remarks of the Exmr., PWD. may be ...

called for in the first place. Necy. addn. has been made in the draft enst.
4. The draft pack asp many issues.

~~accepted~~.

4. (5) Reg. para 13 of the audit report, 1,45
it may be stated that the question reg. remuneration of the Managing agents is being considered along with other doubtful points raised by the A.G., Bihar, in file No LPO1151/52-2223, which is under cor. to the R.L.A. since the 26.7.52. This may await decision on that file
10/9/52.

Dy. (Estt).

~~63~~ 7 LGD 1152/93845.

K.Br.

P-59 P.W.D.

Submitted with refce. to G.L. No: LGD 1152 K, dt. the 24-9-1952 P-58

2. Please see para 4 of the O.N. dated the 20-9-1952. File No: LPO 1151/54223, which is under u.o.n. to the R.L.A. since the 26-7-1952, has not yet been ~~expedited~~ before recd. back. He has been expedited separately, on the 14-10-1952.

3. The Supply Co. may be expedited under No: LGD 1152K, ~~dated~~ the 17th November 1952, since no reply has as yet been recd. from the Co.

ISSUED
Date 17/11/52 K.Br. 15/11/52

Supdt.

ABS 15/11

Sgt 15/11

Amenities to P.T.O. 15/11

~~69~~ 9

LGD-1152

115769

~~B.W.D.~~

K.

Submitted with ref. to G.L. dt the 24-9-52 — 59

2. Thes; necessary draft fmt upt. may issue if approval — p. 71.

5/12/52

× explained personally

12/12/52

× Letter has this case from 5th inst

5/XII/52

A.S. III

~~07 75~~ || LGD 1152/2514

L.B2. P.W.D.

Submitted with ref. to G. L. dt the 13-1 752 - L.71

2. This is an advance copy L.75 letter forwarde to Govt by the E.O.A. through El. Engr. to Govt. The original letter together with remarks of El. Engr. may be awaited.

16/1/53

ASS 17/1/53.

Supdt.

Asst 17/1 17-2-53

Supdt 13/2

LGD 1152/2517

76

KBr

P.W.D.

The Examiner O.A.D. 'expedited' under No LGD1152K, dt. 19th Feb 19

18/2/53

ASS
18/2

ISSUED
Date 19/2/53 NS

Supdt

IC Br

PWD

Submitted

The usual memo calling for the remarks ect. ect. ect. is put up for signature.

Yes.
23/4/53

ASS
27/4

Under No LGD1152IC dt 11 April 1953
27

Supdt

Avoid (28/5/53)
29/4

ISSUED
Date 23/4/53 NSB

~~79/77/13~~ L4D 1152/2517

A.B.S. P.U.D.

Resubmitted.

2. The E.O.A. has forwarded two copies of his letter containing the remarks on the supply Co's letters dt. the 1st. Dec. 1952 A/S 73<75 A/S 65-67

One copy was sent for the Al. Engrs. Sqdt and may be forwarded to that office for information and necy. action. The draft put up may issue if approved. A.81

1/5/53

1-5-53

A.S. III

~~85~~ 15 L4D1152/53667

P.W.D.

K. Bro.

Submitted with ref. to O.N. dt. the 18-2-53. ℓ. 76

2. The remarks of the E.O.A. on ℓℓ 65-67 ℓ. 73 the Supply Co's letter dt. the 1-12-52 have already been recd. and any action on the same will be taken on receipt of the ~~copy~~ remarks of the El. Engr. to Govt. in the matter. vide ℓ. 79 U. L. No. L4D1152K, dt. the 1-5-53. The remarks of the El. Engr. may be awaited

12/5/53

12/5

Asst (3/6)

12/5

Supdt.

17 ~~87~~ LPO 1152/56382

P. W. D.

A. Bo.

Submitted with ref. to A. L. dt. the 1-5-53. A-77

2. As the remarks on the Supply Co's letter No. M/65-69 dt. 1-12-52 have been incorporated in the audit report for 1951-52. no further action appears to be necy. on this ref.

A-45

3. As regards para 13 of the A.R. it may be stated that the question reg. remuneration of the Mg. Agents is being considered along with other doubtful points in file No. LPO 115/54223. This may await decision on that file

A

Supdt. 11/6/53

Sri Pad
20/10/
F&(A) W
20
21-10-52

H Br. P.W.D.

Resubmitted.

2. These papers deal with the accounts of the Gadag licensee for the year ended the 31-3-51. The relevant extracts of the audit report were forwarded pp 41 47 & 48
to the licensee under D.O. dt. the 24-9-52 for pp 53-56 (a)
information and necessary action. The licensee's

reply..

~~P.P. 25-27~~ P.P. 57-59 & P.6 C.P.
reply was forwarded to the Examiner, Outside Audit Deptt., for remarks. That officer reported that P.67 C.P.S the further remarks, where necessary, have been incorporated in the audit report for 1951-52.

3. The only point that remains is regarding para. 13 of the Audit Report with P.45 C.P.S P.P. 41-47 C.P.S reference to the question regarding remuneration of the Managing Agents. That question is still under consideration in this Deptt. file No. C&O 1151/122165. If approved, these papers may be kept in await till a decision is arrived at in the file quoted above.

A | 26-10-53.

A.S. (II)

Accepts

Asstt. (15-11-53)
29/10

Secy. Planning
30/11

LGD1152/56382 20

K.Br. P.W.D.

Resubmitted.

Ref File No. LPO 1151/122/65- referred to at A overleaf is sent up. to Sl. Engr. on 30/11/53. Its return may be awaited.

KL
9/1/1953

ASS
10/12

Supdt.

K.Br.

File no LPO 1151/122/65 2939 has since been received back and is being dealt with separately. These Hps. may be kept in avail[illegible] Para 13 of P.W.D. Audit (1953-54) till a decision is taken in that file. 5/1

KL
13/1/54.

ASS
15/1

Supdt.

Audit (1953-54)
15/1

Shri Pathak

Resubmitted.

Hps 4 Secys 13 11/2

Necy. orders on the point raised in ~~para~~ of the Audit Report have been issued in G.L. Hs 71-72 G/S No- LPO 1151-K, dated the 9-2-54.

Recd

20-2-54

ASS
22/2/54

file 22/2

~~A.S.(H)~~
Supdt.

G.P.K.—(J) H/11-1,00,000-10.34
G.R.,H.L,G.D., No. 2520,38,dated 20-12-18.]

Scott. Slip. 55 a.

SEPARATOR

OFFICE OF THE
EXAMINER OUTSIDE AUDIT
Inward No. 1676
24 MAY 1951

STATEMENT FORM.

1. Company, etc, Gadag Electric License 1930.(Manvi Brothers Gadag)
2. Account for year ending 31-3-1950.
3. Year of working. 27th Year.
4. Motive power Oil Engines.

5.	Total capital expenditure at end of year (*not* capital of company)	Rs.401989-12-11
6	Revenue from electric supply.	Rs.123309- 2- 0
7.	Revenue from meter rents and other sources (including interest on investments, if any).	Rs. 9646-10- 0
	Total working costs excluding depreciation (col. 11) but including income tax from net revenue account.	Rs.126603-12- 2
9.	Gross profit before providing for interest, depreciation or reserve [cols 6 *plus* 7—8].	Rs. 6051-15-10
10	Interest [on debentures and loans] and special charges	Rs. 3085-10-5
11.	Depreciation and reserve [for the year]. Writing off preliminary expenses included	Rs. 9821- 3- 6
12	Ditto per cent on col. 5.	2.44 %
13.	Financial result (col, 9—10 *plus* 11).	Rs. 6254-14- 1
14.	Ditto per cent on col. 5	1.56 %
15.	Units generated.	323080
16.	Units sold.	266510.3

COSTS IN ANNAS PER UNIT GENERATED.

17.	Fuel.	Rs.30889-14-9	1.529
18.	Oil. waste, water, engine room stores etc.	Rs.5448-9-7	0.269
19	Wages and salaries excluding management (generation, distribution and public lamps together).	Rs.22049-11-0	1.091
20.	Repairs and maintenance [generation, distribution and public lamp renewals when charge on contract rate for current includes renewals.]	Rs.19382-15-1	0.959
21.	Rent, rates, and taxes.	Rs.1003-0-0	0.049

3 42

2 Gadag.

22. [a] Management, Directors, fees office allowance salaries [other than in col. 19.] office and legal expenses. Rs.46647-11-0 2.310

22. [b] incidental and overhead charges (other than capital charges), e. g. depreciation, insurance, income tax, interest, etc., which cannot properly be included under any of the heads 17 to 21 and 22 (a). Rs.14088-0-0 0.697

(*Note.*—All working costs should go under one of these heads, but not capital eharges.)

23. Total working costs [cols. 17 to 22 added]. Rs.130510-10-1 6.999.

TECHNICAL DATA.

24. Kilowatts conneted to public lomps. 34.7

25. Total consumers connected (number). 1061

26. Total connections, kilowatts. 291.47

Note—Where there is also a tramway load the ratio of the (Kilowatts connected exclusive of the trams) to (units sold exclusive of trams) should first be found. Then the corresponding value of the kilowatts connected to the trams should be taken in the same ratio to the units used on the trams. The total kilowatts connected will then be the sum of the two.

27. Maximum load on feeders, kilowatts (The figures given in the accounts appear mostly to be maximum station load Both figures may be given) 213.6

28. Load factor $\frac{\text{units sold} \times 100.}{\text{maximum load on feeders} \times 24 \times 365}$ 27.3 %

29. Plant capacity installed, kilowatts. 300 K.W.

30. Average price in annas obtained per unit (col. 6÷16). 7.42

31. Percentage of dividend paid per year.

32. The type and size of the generating plant with dates of installation thereof.

1. Newton Taunton England 60 K.W. 460/500 V. No.33011 D.C.

2. British Electric Plant Company Alloy H.E. 60 K.W. 460/500 V.

3. A.E.G. Type R.L.H. 170 No.2067404, 460 V. 100 K.W.

4. Metro Politan Vicars Co.Ltd., England Serial No.647208. 120/167 Amps. 80 KW.

33. The nature of the supply

(*a*) Generation, voltage, frequency, etc. 460/500 Volts.

(*b*) Distribution, voltage, frequency, etc. 460/230 Volts.D.C.

For Ranvi Brothers
V.R Bellur
MANAGER.

5 x 25

ANNEXURE V.

MODEL FORM OF ACCOUNTS PRESCRIBED UNDER THE INDIAN ELECTRICITY ACT, 1910, FOR COMPANIES.

[SEE SECTION 11 AND RULE 36 (3).]

ELECTRIC LICENCE.

MANVI BROTHERS. Gadag.

For the year ending ~~31st December 19XX~~ 31st Mareh 1950.

Statement of Share Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No I.

Description of Capital.	Autho-rised by	No. of shares issued	Nominal amount of share	Called up per share	Total paid up.	Issued not paid-up	Remain-ing un-issued	Total amount autho-rised.
				Nil.				

Statement of Loan Capital appropriated for the purposes of the undertaking authorised by the abovementioned licence at the end of the year.

No. II

Description of loan.	Amounts borrowed				Remaining borrowing powers	Total amount of borrowing powers
	At per cent	At per cent	At per cent.	Total.		
Manvi Brothers Gadag.			6%	507977-4-2		

Total Share Capital Paid-up, see No. I.
Total Loan Capital Borrowed, see No. II.
Total Capital Received.

For Manvi Brothers
U. R. Bulla
MANAGER.

COMPANIES' ACCOUNTS.

NO. III - CAPITAL ACCOUNT.

Gadag.

For the year ending ~~31st December 19~~ 31st March 1950

Dr | Cr

	Expenditure up to end of previous year.	Expended during the year.	Total expenditure to		Receipts up to end of previous year.	Received during the year	Total receipts to
1. To preliminary expenses (to be specified).				By ordinary shares of Ditto			
2. To lands including law charges incidental to acquisition.				By preference shares of			
3. To buildings.	14252-3-0	702-5-6	14954-8-6				
4. To plant.	90429-8-2	6195-0-7	96624-8-9				
5. To mains	162102-9-1	5780-13-6	167883-6-7				
6 To service connections	20745-11-7	4610-8-0	25356-3-7	By Debenture stock			
7 Switch-board etc	6506- 3-6	417 -1-0	6923-4-6	By mortgages and bonds			
8 To meters and fees for certifying under the Act	39456-15-0	1074-14-0	40531-13-0	By amounts received in anticipation of call			
9 To general stores	2596-6-4	1464-9-2	4060-15-6				
0 To special items o be specified)				By other receipts (to be specified)			
Empty barrels	3012-8-3	-	3012-8-3	Manvi Bros. Gadag.			507977-4-2
11 Street light fitting	19089-1-10	-	19089-1-10				
12 Furniture	3300-0-3	159-1-0	3459-1-3				
13 Storage Tank	1298-0-9	-	1298-0-9				
14 To motor transformers	2000-0-0	8878-6-6	10872-6-6				
15 Workshop.	2687-2-3	-	2687-2-3				
cycle.	931-15-9	812-2-9	1744-2-6				
16 Telephone.	220- 6-0	-	220-6-0				
S.Quarters.	1966- 3-2	-	1966-3-2				
Dead stock.	1006-0-0	-	1006-0-0				
17 Ladder.	299-0-0	-	299-0-0				
	371699-14-11						
Total expenditure		30018-14-0	401988-12-11				
To balance of Capital Account							

For Manvi Brothers

V-R Bulla

MANAGER.

COMPANIES' ACCOUNTS.

Gadag.

NO IV- REVENUE ACCOUNT.

For the year ending ~~31st December~~ 31st March 1950.

Dr.			Cr.	
A,—Generation				
1. To fuel . . .	30889-14-0		1. By sale of energy for lighting purposes	74700-5-3
2. To oil, waste, water and engine room stores	5440-9-7		2 By sale of energy for power purposes.	1777-14-0
3. To Proportion of salaries of engineers, superintendents and officers.	9711-15-0		3. By sale of energy under special contracts.	6546-11-3
4 To wages and gratuities			4 By public lighting.	25954-7-6
5 To repairs and maintenance as follows:-			5. By rental of meters and other apparatus on consumer's premises.	4545-0-0
Buildings . . .	115-0-3		6 By rents receivable machinery.	240-0-0
Plant .	5973-10-6		7 By collection.	320-10-0
To special items (to be specified).			8. By service connections	210-0-0
			9 By miscellaneous receipts from consumers.	2550-0-0
			10. By other items [to be specified]. surcharge.	14531-11-3
			11. Reconnection.	126-0-0
			12. Battery charging.	130-0-0
		52130-2-7	13. Temporary.	1516-0-0
B —Distribution				133255-12-0
1 To proportion of salaries of engineers, superintendents and officers	4507-0-0			
2. To wages and gratuities				
3. To repairs, maintenance and renewals of mains.	4449-2-3			
4. To repairs, maintenance and renewals of transformers, etc. service	1804-0-0			
5 To repairs, maintenance and renewals of meters, switches, cut-outs and other apparatus on consumer's premises.	270-5-3			
	11111-0-0	63250-2-7		133255-12-0

For Manvi Brothers

V. R. Bellad

MANAGER.

COMPANIES' ACCOUNTS.

Godrej.

NO. IV- REVENUE ACCOUNT—CONTD.

DR.		63250-2-7		CR.
C.—Public lamps.				133255-12-0
1. To attendance and repairs.	7750-3-0			
2. To renewals, etc. . .	6770-12-10			
		14520-15-10		
D.–Rents, rates and taxes.				
1. To rents payable. .	600-0-0			
2. To rates and taxes. .	403-6-0			
		1003-6-0		
E —Management expenses				
1. To Directors' remuneration.	10462-0-0			
2. To management .	22241-11-3			
3. To general establishment charges.	12488-7-9			
4 To Auditors of Company.				
5. To Auditor appointed under the provisions of the Act.	260-0-0			
		45452-3-0		
F —Law charges.				
To law expenses	1195-6-0			
		1195-6-0		
G —Depreciation service.				
St.L.fitting 1. To depreciation in respect of leasehold works	503-0-0 381-12-6			
2. To depreciation in respect of buildings.	140-0-9			
3 To depreciation on plant	1032-8-0			
4. To depreciation on mains.	3357-10-6			
5. To depreciation on s.board	138-7-3			
6. To depreciation on meters.	2026-9-6			
7 To depreciation on general stores.	81-3-6			
8. Work shop.	53-11-9			
9. Storage tank.	25-15-3			
10. Furniture.	172-15-3			
11. Motor.	543-9-0			
12. Empty barrels.	301-4-9			
13. Telephone.	11-0-0			
14. Cycle.	87-3-3	125422-3-5		133255-12-0

13 47

Godeg.

COMPANIES' ACCOUNTS.

NO. IV- REVENUE ACCOUNT—CONTD

Dr 125422-3-5 Cr

G. Depreciation – contd.					
8. To depreciation in respect of any other items (to be specified).	10-10-6				133253-12-0
S.Quarters.	20- 2-0				
Dead stock.	14-15-3	9821-3-6			
ladder.					
H —Special charges.					
Insurance.	279-4-0				
To special items (to be specified)					
Machinery written off.	902-4-9	1181-8-9			
Total expenditure		136424-15-8	To balance.		3169-3-8
Balance carried to net revenue					
		136424-15-8			136424-15-8

V.—NET REVENUE ACCOUNT.

Dr Cr

1. To interest on debentures accrued due to date		1. By balance from last account	32859-10-6
2. To interest on mortgages and bonds accrued due to date		Less dividend paid	
3 To interest on temporary loans accrued due to date.	3085-10-5	By amount carried to Reserve Fund.	
4. To dividend on preference stock.		2 By balance brought from Revenue Account (No IV).	
5. To Income-tax paid.		3. By interest on money at deposit.	
6. To balance applicable to dividend on ordinary stock or shares.			
To balance B.F.	3169-8-8	Adjusted.	6254-14-1
From Net revenue account to balance.	32859-10-6		
	39114-8-7		39114-8-7

15 Ordg.

COMPANIES' ACCOUNTS.

NO VI-RESERVE FUND ACCOUNT.

Dr.		Cr.	
1. Amount paid out [items to be specified].		1. By balance brought from last account.	
2. Amount of balance of next account.		2. By amount brought form Net Revenue Account.	
		3. By interest on amount invested. [Description of investments to be specified]	
	Nil		

VII.—DEPRECIATION FUND ACCOUNT.

Dr.		Cr.	
To balance	115207-4-1	1. By Balance from last account	105386-0-7
		2. By interest on investments.	
		3. By amount brought from Revenue Account (see No. IV G.).	9821-3-6
		[Description of investments to be specified)	
	115207-4-1		115207-4-1

17

Gadag.

COMPANIES' ACCOUNTS.

NO VIII-GENERAL BALANCE SHEET.

DR. CR.

Liabilities		*Assets*	
1. To capital, account: amount received as per Account No. III	507077-4-2	1. By capital account: amount expended for works as per Account No. III	401900-12-11
2. To sundry creditors due on construction of plant and machinery, fuel, stores etc	26151-0-11	2 By stores on hand	126-11-3
		3 By sundry debtors	45025-15-9
3 To sundry creditors on open accounts	43450-13-10	4. By preliminary expenses awaiting adjustment.	10452-0-5
4 To net revenue account : balance at credit thereof.		5. By securities as held [cost price]	
5. To reserve fund account balance at credit thereof	32850-10-6	6 By special items(to be specified)	
		7. By cash at bankers	32-12-10
6 To depreciation fund account.	115207-4-1	8: By cash on hand	7846- 5- 4
7. To special items [to be specified]		9.Consumers,	11122- 7- 8
8.Consumers deposit.	7241-2-3	10.Manvi Bros.Byadgi.	60000- 0- 0
9.Government duty.	~~3131-14-6~~ 3131-14-6	11." " Ranebennur.	60000- 0-0
10.Audit Fees.	150- 0-0	12." " Haveri.	64000- 0- 0
11.Salos-tax fund.	2173-13-3	13.Municipality.	3010- 2- 5
		14.Loss on plant.	11729-13-0
Total	730343-7-6	Total.	730343-7-6

For Manvi Brothers

V R Bellur

MANAGER.

COMPANIES ACCOUNTS

No. IX.—STATEMENT OF ENERGY GENERATED, SOLD, ETC.

Total energy generated in Kilowatt-hours.	Kilowatt-hour sold					Kilowatt-hours used on works.	Kilowatt-hours not accounted for.	Total Kilowatt-hours accounted for.	Kilowatts connected for public lamps.	Total consumers connected.	Total Kilowatts connected.	Plant installed Kilowatts.	Maximum supply demanded in Kilowatts
	Public lamps.	By special contract	Consumers by meter for lighting purposes.	Consumers by meter for power purposes.	Total.								
1	2	3	4	5	6	7	8	9	01	11	12	13	14
323090	70946.0	15692.4	166765	4476	263510.3	17775	30794.7	294295.3	34.7	1061	291.47	300 K.W.	215.6

* Where the undertaking supplies power to tramways the units sold the tramway should be treated as sold by "special contract" In calculating the "total kilowatts connected the kilowatts connected exclusive of the tramway should first be ascertained then the kilowatts connected to toe tramway system should be assumed to bear the same ratio to the units used on the tramway as the remaining kilowatts connected bear to their consumption.

For Manu' Brothers
V. Rivera
MANAGER.

STATEMENT FORM.

1. Company, etc. Gadag Electric Licence 1930 (Kanvi Brothers,Gadag)
2. Account for year ending 31-3-1951
3. Year of working 20th Year
4. Motive power Oil Engines.

5.	Total capital expenditure at end of year (*not* capital of company)	Rs	437453- 3-11
6.	Revenue from electric supply	Rs	134166-12-8
7.	Revenue from meter rents and other sources (including interest on investments, if any)	Rs	7280- 1-0
8.	Total working costs excluding depreciation (col.11) but including income tax from net revenue account	Rs	124693- 1-4
9.	Gross profit before providing for interest depreciation or reserve [cols 6 *plus* 7—8]	Rs	16755-13-1
10.	Interest [on debentures and loans] and special charges		4337-15-0
11.	Depreciation and reserve [for the year] Writing off preliminary expenses included		12429- 0-0
12.	Ditto per cent on col. 5		2.43%
13.	Financial result (col. 9—10 *plus* 11)	Loss	71- 1-11
14.	Ditto per cent on col 5		0.017 %
15.	Units generated		346968
16.	Units sold		292608.02

COSTS IN ANNAS PER UNIT GENERATED.

17.	Fuel	Rs	32006-2-1	1.501
18.	Oil, waste, water, engine room stores etc.	Rs	5496-11-9	.254
19.	Wages and salaries excluding management (generation, distribution and public lamps together)	Rs	27760- 9-0	1. 281
20.	Repairs and maintenance [generation, distribution and public lamp renewals when charge on contract rate for current includes renewals]		15705- 3-3	.720
21.	Rent, rates and taxes	Rs	1003-6-0	.046 .046

22. [a] Management, Directors, fees office allowance salaries [other than in col. 19.] office and legal expenses. Rs 40048-12-0 1.084

22. [b] incidental and overhead charges (other than capital charges), e. g. depreciation, insurance, income tax, interest, etc., which cannot properly be included under any of the heads 17 to 21 and 22 (a). Rs 15924-3-9 .735

(*Note.*— All working costs should go under one of these heads, but not capital charges.)

23. Total working costs [cols. 17 to 22 added]. Rs 139425-0-4 6.429

TECHNICAL DATA.

24 .Kilowatts connected to public lamps. 34.7

25. Total consumers connected (number). 1058

26. Total connections, kilowatts. 310.07

Note.— Where there is also a tramway load the ratio of the (Kilowatts connected exclusive of the trams) to (units sold exclusive of trams) should first be found. Then the corresponding value of the kilowatts connected to the trams should be taken in the same ratio to the units used on the trams. The total kilowatts connected will then be the sum of the two.

27. Maximum load on feeders, kilowatts. (The figures given in the accounts appear mostly to be maximum station load. Both figures may be given) 230.4

28. Load factor $\frac{\text{units sold X 100}}{\text{maximum load on feeders X 24 X 365}}$ 27.04

29. Plant capacity installed, kilowatts. 300

30. Average price in annas obtained per unit (col. 6 ÷ 16) 7.28.

31. Percentage of dividend paid per year. Nil

32. The type and size of the generating plant with dates of installation thereof

1. Houton Taunton England 60 K.W. 460/500 Volts No.33011 D.C.
2. British Electric Plant Co Alloy N.E. 80 K.W. 460/500 Volts.
3. A.E.G.Type R.L.H. 170 No.2067484, 460 Volts 100 K.W.
4. Metro Politan Vicars England Serial No.647208. 128/107.Amps 80 KW

33. The nature of the supply –

(*a*) Generation, voltage, frequency, etc. 460/500 Volts.

(*b*) Distribution, voltage, frequency, etc. 460/230 Volts.

For Manni Brothers

V.R.Bucca

MANAG.

COMPANIES' ACCOUNTS

No. III CAPITAL ACCOUNT

Gadag

For the year ending 31st December 195. .
31st March 195 1.

Dr Cr

	Expenditure up to end of previous year.	Expended during the year	Total expenditure to		Receipts up to end of previous year;	Received during the year	Total receipts to
1. To preliminary expenses (to be specified).				By ordinary shares of Ditto			
2 To lands including law charges incidental to acquisition.				By preference shares of			
3 To buildings	14954-3-6	675-12-0	15630-4-6				
To plant.	96624-6-9	4112- 7-9	100737-0-6				
5. To mains.	167883-6-7	8783- 4-9	176666-11-4				
6. To service connections	25556-3-7	4018- 5-3	29574-8-10	By Debenture stock			
7. Switch-board etc	6923-4-6	451- 3-0	7370-7-6	By mortgages and bonds			
8. To meters and fees for certifying under the Act	40531-13-0	473-10-0	40058-3-0	By amounts received in anticipation of call			
9. To general stores	4060-15-6	6420-10-1	10481-9-7				
10. To special items (to be specified)				By other receipts (to be specified)			
E.Barrolo	3012- 8-3	.....	3012-8-3				
11. Street light fitting	19089- 1-10	.....	19089-1-10	Manvi Bros, Gadag & Others			581268-5-5
12. Furniture	3459-1-3	190-15-0	3650-0-3				
13. Storage Tank	1288-0-9	230-2-8	1528-3-5				
14. To transformers							
15. Motor	10872-6-6	267-6-6	11139-13-0				
Ladder	290-0-0	.....	290- 0-0				
Dead Stock	1000-0-0	.....	1000- 0-0				
16. Work-Shop.	2687-2-3	.....	2687-2-3				
Cycles	1744-2-6	787-14-0	2532-0-6				
Telephone	220-0-0	.....	220-0-0				
17. S.Quarters	1936-3-2	.....	1936-3-2				
	401968-12-11		427463-3-11				
Total expenditure		25494-7-0					
To balance of Capital Account							

For Manvi Brothers
V. R. Bhuta
MANAGER

SAI. P. G. 32-932'100

ANNEXURE V.

MODEL FORM OF ACCOUNTS PRESCRIBED UNDER THE INDIAN ELECTRICITY ACT, 1910, FOR COMPANIES.

[See Section 11 and Rule 36 (3).]

ELECTRIC LICENCE.

MANVI BROTHERS. Gadag

For the year ending 31st March 1951 .

Statement of share Capital appropriated for the purposes of the undertaking authorised by the above mentioned licence at the end of the year.

No. I.

Description of Capital	Autho-rised by	No. of shares issued	Nominal amount of share	Called up per share	Total paid up	Issued not paid-up	Remaining un-issued	Total amount autho-rised
				Nil				

Statement of Loan Capital appropriated for the purposes of the undertaking authorised by the above mentioned licence at the end of the year.

No. II.

Description of loan	Amounts borrowed				Remaining borrowing powers	Total amount of borrowing powers
	At per cent	At per cent	At per cent	Total		
Manvi Bros Gadag				561131-13-5		
P.L.Jajoo				15000- 0-0		
Keswedas Devidas				5057- 0-0		
				581209- 5-5		

Total Share Capital Paid-up, See No. I.

Total Loan Capital Borrowed, see No. II

Total Capital Received.

For Manvi Bros.

V. A Bruce
MAN.

SHI. P. G. 32-933-100

MANVI BROTHERS

Gadag

COMPANIES' ACCOUNTS.

No. IV - REVENUE ACCOUNT.

For the year ending 31st March 1951.

Dr.			Cr.	
A — Generation				
1. To fuel ..	52306-2-1		1. By sale of energy for lighting purposes ...	92374-11-9
2. To oil, waste, water and engine room stores	5496-11-0		2. By sale of energy for power purposes ...	2332- 3-0
3. To Proportion of salaries of engineers, superintendents and officers .	11143-13-0		3. By sale of energy under special contracts ...	8017-7 -0
4. To wages and gratuities ...			4. By public lighting ...	31444-6-11
5. To repairs and maintenance as follows:-			5. By rental of meters & other apparatus on consumer's premises	4611-0-0
Buildings ..	181-4-6		6. By rents receivable ...	240-0-0
Plant ...	3515-2-3		7. By transfer fees ...	320-8-0
To special items (to be specified) ...			8. By service connections	249-0-0
			9. By miscellaneous receipts from consumers...	570-0-0
			10. By other items (to be specified.) ...	
			11 Re-Connection.	270-0-0
			12 Battary	296-0-0
			13 Temparary.	718-0-0
		52949-2-4		141448-14-5
B.— Distribution				
1. To proportion of salaries of engineers, superintendents and officers	6173-3-0			
2. To wages & gratuities				
3. To repairs, maintenance and renewals of mains ...	3932-3-0			
4. To repairs, maintenance and renewals of transformers, etc. ...	3136-0-6			
5. To repairs, maintenance and renewals of meters, switches, cut-outs & other apparatus of consumer's premises	465-11-6			
	13707-0-0	66656-11-4		141448-14-5

For Manvi Brothers

V. R. Manvi

COMPANIES' ACCOUNTS.

NO. IV- REVENUE ACCOUNT—CONTD.

Gadag

DR. 66656-11-1 CR.

C.—Public lamps.					141448-1
1. To attendance and repairs.	10437-7-9				
2. To renewals, etc.	4564-7-0				
		15001-14-9			
D.–Rents, rates and taxes					
1. To rents payable.	1003-6-0				
2. To rates and taxes.					
		1003-6-0			
E —Management expenses					
1. To Directors' remuneration	10230-0-0				
2. To management	24628-0-0				
3 To general establishment charges.	3900-13-6				
4 To Auditors of Company.					
5. To Auditor appointed under the provisions of the Act.	260-0-0				
		39027-6-6			
F —Law charges					
To law expenses	1821-6-0				
		1821-6-0			
G —Depreciation					
Service	588-0-0				
1. To depreciation in respect of leasehold works St.L.Ft.	381-0-0				
2. To depreciation in respect of buildings.	156-0-0				
3 To depreciation on plant	2015-0-0				
4. To depreciation on mains.	3533-0-0				
5. To depreciation on S.Board.	147-0-0				
6. To depreciation on meters.	2002-0-0				
7 To depreciation on general stores.	209-0-0				
8 Work-shop	53-0-0				
9 Stoarge Tank.	30-0-0				
10 Furniture.	182-0-0				
11 Motor	557-0-0				
12 E.Barrels	301-0-0				141448-14-5
		11 510-13-7			

SHI. P. G. 32-934-100

MANVI BROTHERS Gadag.

COMPANIES' ACCOUNTS.

NO. IV – REVENUE ACCOUNT – CONTD.

Dr.		123510-12-		Cr.
	G. Depreciation-contd.			141448-14-5
Telephones	11-0-0			
Cycles	126-0-0			
S. Quarters	15-0-0			
Dead Stock	20-0-0			
Ladder	14-0-0			
	10344-0-0	10344-0-0		
	H. Special charges.			
Insurance	280-0-0			
M. Written Off	902-4-0			
		1182-4-0		
		135037-1-4		
Balance carried to net revenue ...		6411-13-1		
		141448-14-5		141448-14-5

V - NET REVENUE ACCOUNT.

Dr.			Cr.	
1. To interest on debentures accrued due to date			1. By balance from last account ...	32859-10-6
2. To interest on mortgages and bonds accrued due to date			Less dividend paid	
			By amount carried to Reserve Fund	
3. To interest on temporary loans accrued due to date ...	4307-15-0		2. By balance brought from Revenue Account (No. IV) ..	6411-13-1
Contigency Reserve				
4. To dividend on preference stock ...	2085-0-0		3. By interest on money at deposit ...	
5. To Income-tax paid .				
6. To balance applicable to dividend on ordinary stock or shares ..			Net Loss adjusted	71-1-11
Balance	32859-10-6			
	39342-9-6			39342-9-6
	39342-9-6			39342-9-6

35

SHI. P. G. 32-935'100

MANVI BROTHERS Gadag

COMPANIES' ACCOUNTS.

No. VI - RESERVE FUND ACCOUNT.

Dr.			Cr.
1. Amount paid out (items to be specified) ...	2085-0-0	1. By balance brought from last account ..	
2. Amount of balance of next account ...		2. By amount brougt from net Revenue Account ...	2085-0-0
		3. By interest on amount invested (Description of investments to be specified) ...	
	2085-0-0		2085-0-0

VII - DEPRECIATION FUND ACCOUNT.

Dr.			Cr.
To balance	125551-4-1	1. By balance from last account ...	115207-4-1
		2. By interest on investments ...	
		3. By amount brought from Revenue Account (see No. IV G.)	10344-0-0
		(Description of investments to be specified) ..	
	125551-4-1		125551-4-1

SHI P. G. 32-936-100

MANVI BROTHERS Gadag

COMPANIES' ACCOUNTS.

No. VIII – GENERAL BALANCE SHEET.

Dr. Cr.

Liabilities		*Assets*	
1. To capital account: amount received as per Account No. III	581260-5-5	1. By capital account: amount expended for works as per Account No. III ...	427453-3-11
2. To sundry creditors due on construction of plant and machinery, fuel, stores, etc. ...	02923-0-5	2. By stores on hand ...	104-8-0
3. To sundry creditors on open accounts ...		3. By sundry debtors ...	105421-13-8
4. To net revenue account: balance at credit thereof ...	32850-10-0	4. By preliminary expenses awaiting adjustment ...	
5. To reserve fund account balance at credit thereof (Contigency)	2085-00-0	5. By securities as held (cost price)	
6. To depreciation fund account...	125551- 4-1	6. By special items (to be specified)	
7. To special items (to be specified)		7. By cash at bankers ..	1722-1-10
8. Consumers Deposit.	6261- 2-3	8. By cash on hand ...	1392-4-6
9. Government Duty.	4620- 0-3	9 Consumer	12352-4-11
10. Audit Fees	800- 0-0	10 Manvi Bros, Lyadgi	64900-0-0
		11 Manvi Bros, Ranebennur	104000-0-0
		12 Manvi Bros, Havori.	117000-0-0
		13 Municipality	3196-2-10
		14 Loss On Plant.	10827-8-3
	848369-15-11		848369-15-11

Total ...	848369-15-11	Total ...	848369-15-11

For Manvi Brothers

V. R. Bunga

MANAGER.

MANVI BROTHERS

COMPANIES' ACCOUNTS.

No. IX- STATEMENT OF ENERGY GENERATED, SOLD, ETC.

Total energy generated in Kilowatt-hours	Kilowatt-hour sold					Kilowatt-hours used on works	Kilowatt-hours not accounted for	Total Kilowatt-hours accounted for	Kilowatts connected for public lamps	Total consumers connected	Total Kilowatts connected	Plant installed Kilowatts	Maximum supply demanded in Kilowatts
	Public lamps	By special contract	Consumers by meter for lighting purposes	Consumers by meter for power purposes	Total								
1	2	3	4	5	6	7	8	9	10	11	12	13	14
346968	86357.75	17438.27	102332	6630	232807.02	18249	35911.98	311050.02	34.7	1058	310.07	300	230.4

Where the undertaking supplies power to tramways the units sold the tramway should be treated as sold by "special contract". In calculating the total kilowatts connected the kilowatts connected exclusive of the tramway should first be ascertained then the kilowatts connected to the tramway system should be assumed to bear the same ratio to the units used on the tramway as the remaining kilowatts connected bear to their consumption.

Manvi Brothers
V. R. Bhuvy
MANAGER

Memo.No.AX

To

Report on the examination and audit of the annual statements of accounts prescribed under the Indian Electrical Rules 1937 of the Gadag Electric License 1936 for the years ended 31st March 1950 and 31st March 1951.

The examination and audit of the annual statements of a/cs of the Gadag Electric License 1936 ~~amended, Gadag Electric License 1936~~, was conducted at Gadag. Statements I to IX and the statement of financial and technical data are appended to this report. The accounts were not audited by the Co.'s auditors.

2. The financial provisions contained in the Sixth and Seventh Schedules to the Electricity(Supply)Act 1948 became applicable to this concern with effect from 1st April 1949.

3. Previous audit.

The valuation of the fixed assets has not been done so far although the need for doing so is being stressed since long vide para 2(b) of the report for 1943-44, para 3(a) of the report 1947-48 and para 3(a) of the report for 1948-49. In this connection reference is also invited to Public Works Deptt. letter No.2223/36-III-K dated 21-5-1951 addressed to the licensee.

Current Audit.

4. Statement II:-Loan Capital:-

This is a private concern and the amount invested by the proprietors is treated as loan to the concern. The amount of loan as on 31-3-1950 as per the balance sheet of the concern was Rs.5,07,977-4-2. However this amount includes a sum of Rs.2,39,000 invested in the three other concerns at Byadgi, Ranebennur and Haveri. Hence the net ~~amount~~ amount of loan for this concern alone was Rs.2,68,977-4-2.

Similarly the total amount of loan from the proprietors and other parties as on 31-3-1951 as per the balance sheet was Rs. 5,81,269-5-5. Deducting therefrom the amount of Rs.2,85,900/- invested in the other 3 ~~mmmx~~ concerns the net amount of loan was Rs.2,95,369- 5-5.

The proprietors have charged interest at 6% on the amount invested except on a sum of Rs.2,01,004-5-8 for both the years. The rate of interest on private loan viz.9% is high.

5. Statement III:-Capital Account:-

(a) Capital expenditure during the years under review amounted to Rs.28,624(for 1949-50)and Rs.19,044 for 1950-51.

(b) On reviewing the capital expenditure it was noticed that some expenditure on replacement of old parts of the machines has been capitalised. The following are the instances noticed:-

	Date	Amount	Details.
1.	22-2-1950	183- 0-0	Automiser parts of Krupp (Engine).
2.	25-2-50	273- 0-6	-do- -do-

The licensee may please be asked to adjust this amount to revenue or to justify the allocation made by them.

(c) The total capital expenditure per K.W.H. comes to Rs.1326 and Rs.1,390 for the years 1949-50 and 1950-51 as against Rs.1,240 for the year ~~1948-49~~ 1948-49.

(d) The percentage of turn over to the total capital expenditure at the close of the two years under review works out to 32.9 and 33. against 30.83 for the year 1948.49.

(e) During the year 1950-51 the Co. has debited to the capital account Rs.473-10-0 as meters transferred. The original cost of the asset should be written off the capital account and depreciation provided thereon should be removed from the fund. The difference between the cash realised and depreciated value should be credited or charged to the contingencies reserve according to the provisions of paras IX or VII(3) of the sixth schedule. The Co. may be asked to follow the correct procedure.

6. Statement IV:-Revenue Account:-Working Expenses:-

42

DEPARTMENT OFFICE.

Draft Letter / Memorandum / Telegram

File No.

Serial No.

1. Date of despatch No. Dated

2. List of enclosures

S. 5 (Large).
MFP—458 S&P—6767a (M-484)—20-3-

(47)

6. Statement IV:-Revenue Account:-Working Expenses:-

(a)The working expenses excluding depreciation,provision for reserve etc.under the various heads together with the cost per unit generated for the years 1948-49,1949-50 and 1950-51 are compared in statement 'A' attachedx to this report.

(b) On reviewing the expenditure incurred under the various heads it was noticed that certain expenditure incurred on charity and "Pooja" was included in the general establishment charges.The total of such items of expenditure noticed amounted to Rs.539-6-0 and Rs.665-3-3 for the two years as detailed in statement 'C'attached to the report.As such items of expenditure are not arising out of or are not ancillary or incidental to the business of electricity supply they have been excluded in working out net profit,clear profit and operating expenditure.

7. Statement IV:-Revenue Account:-Receipts:-

(a)The receipts during the years 1948-49,1949-50 and 1950-51 and number of units sold to the various classes of consumers together with the average sale price realised are compared in the statement 'B' attached to this report.

(b)Receipts of Rs.2,550/-(1949-50)and Rs.570(1950-51)shown against item No.9 of the account represent the profit made by the wiring contract department.As this item of receipt does not arise out of and is not ancillary or incidental to the business of the electricity supply,the profit made by it has been excluded from the total income shown in the revenue accounts for the purpose of working out net profit and clear profit.

8. Statement V:-Net Revenue Account:-

(a)The amount of interest on loan charged by the proprietors amounted to Rs.3,085-10-5 and Rs.4,259-4-0 for the years 1949-50 and 1950-51.The interest on private loan during the year 1950-51 amounted to R.138-11-0.

(b)The net loss of R.6,25?-14-1 for the year 1949-50 and of R.71-1-11 for the year 1950-51 were adjusted to proprietors' account.

9. Statement No.VI:-Reserve Fund account-

Contingency reserve under para IV(1) and (2) of the sixth schedule the licensee has to create certain reserves reserve and to invest the amount in securities authorised under the Indian Trust Act 1882. No such reserve was created during the year 1949-50.A reserve of Rs.2,085 representing 1/2% of original cost of fixed assets was created during the year 1950-51.However the amount of the reserve has not been invested in the securities.The licensee may be advised to create the reserve for the year 1949-50 also and to invest the total amount of the reserve in securities.

10. Statement No.VII:-Depreciation Fund account:-

(a)The depreciation has not been worked out in accordance with the para VI(1),XI, III(6)(c) of the sixth schedule and provisions of the table appended to the seventh schedule to the Electricity(S) Act 1948.

(1)The depreciation has been calculated on the total value of the assets at the end of the financial year instead of on 90% of the value of the assets.

(2)The lives of various assets were not in accordance with the lives prescribed in the table appended to the seventh schedule.

(3)No difference is made in respect of lives of secondhand assets and the new ones.

(4)The depreciation has to be calculated on the aggregate value of each asset year by year from the beginning and the depreciation and arrears of depreciation have to be worked out in accordance with the provisions of paras VI(1) and XI of sixth schedule.

(5)Depreciation has been charged on "General stores"which consists of electric accessories, cement & iron bars. The necessity of charging such depreciation is not clear. It is for consideration of Govt.whether depreciation is to be charged on such items. Govt.may consider this point in consultation with the Electrical Engineer and issue suitable instructions.

(6)Similarly depreciation has been charged on value of dead stock (Rs.1,006)which represents value of obsolete machinery.According to para VII(1) of the sixth schedule no depreciation is chargeable in respect of such assets.The depreciation charged is required

The licensee may be advised to work out the depreciation according to the provisions of the sixth and seventh schedules to obtain orders from the Govt.in respect of lives of the secondhand and other assets falling under the category mentioned at item 'D' of the table appended to the seventh schedule and to provide usual and arrears of depreciation.

(b) The balance in depreciation fund account at the close of the year 1950-51 was Rs.1,25,551 representing 30.12% of the total depreciable assets as against 28.95% for the year 1949-50 and 28.5 % for the year 1948-49.

required to be adjusted to the depreciation account.* see slip attached

11. Statement No.VIII:-General Balance Sheet:-1949-50:-

(a) Item No.10:- Audit fee:-As the audit fees for the year 1949-50 was not paid till the end of the year 50/51, the figure of Rs.150/-appearing in the balance sheet for 1949-50 is incorrect. On review of the accounts it was noticed that some error is continued since 1941 accounts. The error may please be set right in next accounts.

12. Statement No.IX:-

The percentages of units lost in transmission and used on works to the number of units generated for the years 1948-49, 1949-50, 1950-51 are compared below:-

Units lost	1948-49	1949-50	1950-51
Units in transmission	15.42%	12.00%	10.35 %
Units on works	5.40%	5.50%	5.26%

13. Proprietors' Remuneration:-

(a) The Gadag Electric License being a proprietory concern the affairs of the co. are being managed by the proprietors, Marvi Brothers, who have drawn a sum of Rs.10,462 and Rs.10,238 during the the years 1949-50 and 1950-51 as their remuneration. It is not clear whether the proprietors can charge such remuneration. In this connection reference is invited to para 8 of the audit report ~~xxxxxxxxxxxxxxxxxxxxxxxx~~ on the accounts of the Igatpuri Electric Supply Co.Ltd. for 1949-50 issued under this office No. CA/256/3288 dated 23-6-1951. It may also be mentioned here that as per para XIII(3) of the sixth schedule the office allowance of the Managing agents include salaries and wages of all persons employed in his office. In this case the proprietors have not borne any expenditure out of the remuneration.

If the affairs of the Co. were to be managed by the Mg. agents, the amount of ordinary remuneration and office allowance payable to them would have come to Rs.7,150/- and Rs.6,557 for the two years under review as against Rs.7,222 and Rs.6,629 calculated by the Co. the difference being due to the fact that in the calculation by this office Rs.902-4-9 being machinery written off has been excluded from working expenditure. Pending settlement of this point the amounts charged in the accounts of the Undertaking as remuneration of the proprietors are not being treated as an item of expenditure admissible for the purpose of the calculation of the clear profit.

(b) In working out the amounts/remuneration the following items of expenditure which appear to relate to management but taken by the Licensee under Para XVII(2)(b) (xi) for the purpose of working out the office allowance has been provisionally ~~not admissible~~ admitted under that para pending settlement of the question regarding the items to be included under the head management.

	1949-50 Rs as ps	1950-51 Rs as ps
Pay of Manager, Office clerks etc.	16,227- 4-9	19,410- 2-0
Printing	1,563- 9-9	1,024-14-9
Postage	413- 7-9	453- 1-3
Travelling	2,054-14-0	1,767-11-0
General expenses	11,949- 1-9	3,235-10-3
	32,208- 6-0	25,891-7-3

Had these charges been included under para XVII(2)(b)(ix) the remuneration of the proprietors would have been reduced.

14. Capital Base:-

(a) The amounts of capital base for the years 1949-50 and 1950-51 are Rs.2,94,037 and Rs.2,99,231 as worked out by this office as well as by the licensee.

(b) Service lines:- The account of contributions received from the consumers for 1949-50 and 1950-51 (vide details in margin*) towards cost of construction of service lines has not been treated as capital receipts but have been credited to Wiring Deptt. trough, required under para XII of the sixth schedule. The licensee may be asked to carry out necessary adjustments. and follow the correct procedure in future

* 1949-50 Rs.201-4-0
1950-51 Rs.613-10-0
Rs.814-14-0

46

DEPARTMENT OFFICE.

Draft Letter / Memorandum / Telegram

File No.

Serial No.

1. Date of despatch No. Dated

2. List of enclosures

S. 5 (Large).
MFP—458 S&P—6767—(M-481)—20-3-50—1,50,000 Pads.

47

(c)Store Account:- A store account has not been maintained by the licensee. All adjustments are carried out out at the end of the year. In the absence of the correct details, balances as per the ledger were taken into account for arriving at the monthly closing balances. The licensee may be advised to maintain systematic stores accounts and calculate the correct figures in future.

15. Clear Profit -

(a)The difference in working the clear profit for the years 1949-50 and 1950-51 by this office and the undertaking are given and explained below:-

	1949-50	1950-51
	Rs	Rs
Amounts worked out by this office	6,184	15,562
Amount worked out by the Undertaking : Clear profit	(-)1,940	(+)8,030
Difference	8,124	7,532

The difference is on account of inclusion by the Co. of the remuneration as calculated by the Co. in annexure I and machinery written off.

16. Reasonable Return:-

(a)The reasonable return as worked out by this office as well as by the licensee for 2 years under review amounted to Rs.14,702 and 14,967. The clear profit for the year 1949-50 as worked out by this office fell short of the reasonable return by Rs.8,518. The clear profit for the year 1950-51 exceeds the reasonable return by Rs.595-5-1 and the excess should be distributed as under:-

	Rs
Clear Profit for the year 1950-51	15,562- 5-1
Reasonable return	14,967- 0-0
Excess over the reasonable return	595- 5-1

	Rs
1.1/3rd of the excess not exceeding 7½% of the amount of reasonable return to be at the disposal of the Undertaking	199- 7-1
2.1/2 Tariffs and Dividend Control Reserve	198- 7-0
3.Remaining half to be distributed in the form of a proportional rebate to consumers or carried forward in the a/cs of the Undertaking for distribution to consumers in future with the sanction of Govt.	198- 7-0
	595- 5-1

(According to the licensee there is not excess)

The licensee may be advised to distribute the excess as above.

(b)The total amount drawn by the proprietors including remuneration, interest, amounts spent on charity and profit or loss were Rs.7,832-2-4 and Rs.15,091-5-4 as under:-

	1949-50	1950-51
1. emuneration	Rs. 10,462- 0-0	Rs.10,238- 0-0
2.Interest	Rs. 3,085-10-5	Rs. 4,259- 4-0
3.Charity	Rs. 539- 6-0	Rs. 665- 3-3
Total	Rs.14,087- 0-5	Rs. 15,162-7-3
Less loss	Rs. 6,254-14-1	Rs. 71- 1-11
Net total	Rs. 7,832- 2-4	Rs.15,091- 5-4

17. Rates:-(a)Street lighting:-The old agreement with the Municipality expired on 31-8-48. The question of fixing new rates was referred to an arbitration. In the meanwhile the rate provisionally fixed by the Collector was charged to the Municipality The award of arbitration has recently been received and the rates are being adjusted accordingly.

(b)General rates:-There has been no change in the effective rates paid by the general consumers during the last three years.

Srinivasa Rao
10/4

vw /9.4

AS IS NOT EXAMINED, OUTSIDE AUDIT

48

DEPARTMENT OFFICE.

File No.

Draft $\frac{\text{Letter}}{\text{Memorandum}}$ $\frac{}{\text{Telegram}}$

Serial No.

1. Date of despatch No. Dated

2. List of enclosures

S. 5 (Large).
MFP—488 S&P—6767—(M.481)—29-3-50—1,50,000 Pads.

Statement 'A'

Heads	1948-49 Amount Rs.	1948-49 Cost per unit generated in annas.	1949-50 Amount Rs.	1949-50 Cost per unit generated in annas.	1950-51 Amount Rs.	1950-51 Cost per unit generated in annas.
1.Fuel	30,758	1.54	30,890	1.53	32,606	1.50
2.Oil,waste,water,eingine room store etc.	8,165	0.41	5,449	0.27	5,497	0.25
3.Wages and salaries (excluding management)	20,067	1.01	22,050	1.09	27,761	1.28
4.Repairs and Maintenance	16,629	0.83	19,383	0.96	15,795	0.73
5.Rents,rates and taxes	1,090	0.06	1,003	0.05	1,003	0.05
6.Management and general expenses	28,487	1.43	36,186	1.79	30,611	1.41
7.Managing agency	8,196	0.41	10,462	0.52	10,238	0.47
Total	113,392	5.69	125,423	6.21	123,511	5.69
Units generated	3,18,902		3,23,080		3,46,968	

Statement 'B'.

Heads.	1948-49 Units sold	1948-49 Amount Rs.	1948-49 Price per unit realised in annas	1949-50 Units sold	1949-50 Amount Rs.	1949-50 Price per unit realised in annas	1950-51 Units sold	1950-51 Amount Rs.	1950-51 Price per unit realised in annas.
1.Lighting	1,50,496	76,379	8.12	166,785	84,493	8.10	1,82,332	92,375	8.11
2.Power	4,326	1,385	5.12	4,476	2,030	7.26	6,680	2,332	5.59
3.Special contracts	14,664	6,314	6.89	15,602	7,345	7.53	17,438	8,017	7.36
4.Public lamps	83,017	24,652	4.75	79,647	29,741	5.97	86,358	31,444	5.83
Total	2,52,503	108,730	6.89	266,510	123,609	7.42	292,808	134,168	7.33
5.Rental of Meters		4,193			4,545			4,611	
6.Miscellaneous receipts		1,739			2,552			2,100	
		114,662			130,706			140,879	

Statement

Heads	1948-49 Amount Rs.	1948-49 Cost per unit generated in annas.	1949-50 Amount Rs.	1949-50 Cost per unit generated in annas.	1950-51 Amount Rs.	1950-51 Cost per unit generated in annas.
1.Fuel	30,758	1.54	30,890	1.53	32,606	1.50
2.Oil, waste, water, engine room stores etc.	8,165	0.41	5,449	0.27	5,497	0.25
3.Wages and salaries (excl. Direct management)	20,067	1.01	22,050	1.09	27,761	1.28
4.Repairs and Maintenance	16,629	0.83	19,383	0.96	15,795	0.73
5.Rents, rates and taxes	1,090	0.06	1,003	0.05	1,003	0.05
6.Management and general expenses	28,487	1.43	36,186	1.79	30,611	1.41
7.Managing agency	8,196	0.41	10,462	0.52	10,238	0.47
Total	113,392	5.69	125,423	6.21	123,511	5.69
Units generated	3,18,902		3,23,080		3,46,968	

Statement 'B'.

Heads.	1948-49 Units sold	1948-49 Amount Rs.	1948-49 Price per unit realised in annas	1949-50 Units sold	1949-50 Amount Rs.	1949-50 Price per unit realised in annas	1950-51 Units sold	1950-51 Amount Rs.	1950-51 Price per unit realised in annas.
1.Lighting	1,50,496	76,879	8.12	166,785	84,493	8.10	1,89,332	92,375	8.11
2.Power	4,326	1,385	5.12	4,476	2,030	7.26	6,680	2,332	5.59
3.Special contracts	14,664	6,314	6.89	15,602	7,345	7.53	17,438	8,017	7.36
4.Public lamps	83,017	24,652	4.75	79,647	29,741	5.97	86,358	31,444	5.83
Total	2,52,503	108,730	6.89	266,510	123,609	7.42	292,808	134,168	7.33
5.Rental of Meters		4,193			4,545			4,611	
6.Miscellaneous receipts		1,739			2,552			2,100	
		114,662			130,706			140,479	

DEPARTMENT OFFICE.

Draft Letter / Memorandum / Telegram

File No.

Serial No.

1. Date of despatch | No. | Dated

2. List of enclosures

Statement 'C'

List of items of expenditure on charity and Pooja referred to in para 6(b)

1949-50 Date	Amount Rs.As.Ps.	1950-51 Date	Amount Rs.As.Ps.
28-4-1949	8,15-3	14-4-1950	76- 0-0
1-5-1949	8-15-0	17-4	16-14-3
25-5	1- 2-0	24-4	15- 7-6
26-5	15- 0-0	16-5	16- 1-6
23-7	17- 8-0	15-6	15- 8-0
25-7	15-11-3	6-7	12-15-0
1-8	25- 0-0	15-7	16-15-0
10-8	5- 0-0	14-8	17- 0-0
24-8	13- 9-0	12-9	17-12-6
1-9	101- 0-0	12-9	51- 0-0
20-9	10- 0-0	16-9	15- 0-0
22-9	15- 3-0	7-10	50- 0-0
29-9	164- 8-9	13-10	17- 8-6
21-10	30- 0-0	19-10	172-12-9
24-10	5- 0-0	21-10	27- 8-0
15-11	3- 0-0	9-11	38- 3-0
20-11	17- 2-9	9-12	29- 6-6
19-12	15-14-0	8-1-1951	15- 5-0
1-1-1950	11- 8-0	6-2	15- 7-6
18-1	17- 7-9	7-3	18-11-6
16-2	8- 0-0		
18-3	15- 9-3		
18-3	17- 1-0		
22-3	2- 8-0		
TOTAL	539- 6-0	TOTAL	665- 3-3

S. 5 (Large

MFP—468 S&P—6767—(M-151)—29-[illegible]—1,50,000 Pads.

Reply to be Addressed to:-

'THE EXAMINER, OUTSIDE AUDIT DEPARTMENT, 51
Branch Office of The Accountant General, Bombay.
Universal Assurance Building, 4th Floor,
Sir, P. M. Road, BOMBAY No. 1

No. OA/380

10/4/52

To

The Secretary to the Government of Bombay.
Public Works Department, Bombay.

Sub:- Report on the audit of the accounts of the Gadag Electric License for the years ended 31-3-50 and 31-3-51,

Sir,

I am to forward herewith the report on the audit of the accounts of the Gadag Electric License for the years ended 31-3-50 and 31-3-51 and to request that extract of paragraphs 4, 5(a)(e),9, 10(a)(1,2,3, 4 & 6), 11, 14, 15 and 16(a). of the report may please be forwarded to the management for information and necessary action.

Special attention of Government is invited to paras 2, 10(a)(5) & 13.

Yours faithfully,

V. Srinivasa Rao 10/4

Asstt. Examiner, Outside Audits

No. OA/

Copy together with a copy of the audit report forwarded to:-
(1) The Electrical Engineer to the Government of Bombay, Bombay.
(2) The Senior Auditor Shri A.P. Vaishnav with a set of accounts for for note and return.

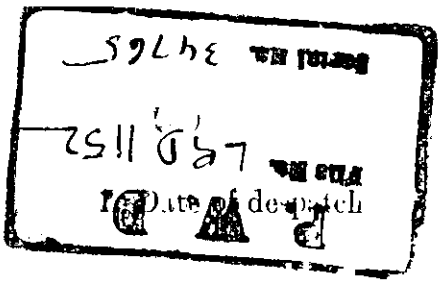
DEPARTMENT OFFICE.

Draft Letter / Memorandum / Telegram

File No.

Serial No.

No. Dated



1. Date of despatch

2. List of enclosures

3 LGD1152
85985.

No. LGD 1152 K

P.W.;

B.C. (Bbay No:1),
24th Septr 1952.

To
M/s The Gadag El. Supply
Coy., Ltd.,
(M/s Nanvi Bros.),
Gadag.

Sub:- Accounts for the
years ended 31.3.50 & 31.3.51.

Sirs,

I am directed to forward herewith for information & necy. action extract paras 3, 5(a)(e), 9, 10(a)(1,2,3,4 & 6), 11, 14, 15 and 16(a) of the audit report on the accounts of your Undertaking for the years ended 31.3.50 & 31.3.51.

2. Action taken in the matter should pl. be reported to Govt.

3. As regards para 3 of the audit report mentioned above, I am to request you to explain why no valuation of the fixed assets....

54

assets has ~~not~~ been done so far. I am, therefore, to request you to do it now & report to Govt. the action taken in the matter.

Yours ffly.
A.S

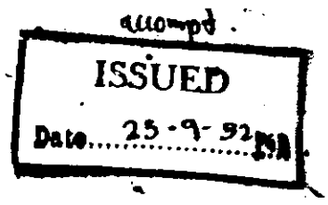
Extract para ref. to

Copy to the El. Engr. to Govt. with ~~the~~ refce. to his No. LA.7/7656, d) the 13-9-52.

→ —

Copy, with extract para 4 of the El. Engr. to Govt.'s ~~letter~~ letter No. LA.7/7656, d) the 13-9-52, forwarded to the Exmr., O.D., A.G.'s Office, Bldg, for information & remarks, if any, with refce. to his letter No. OA/380, d) the 10-4-52.

20/9/52.



55

Telegraphic Address—ACCOUNTS.

A. G. 37(6).

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters above the No. as given opposite, may be quoted, *and the reply addressed to*—
THE ACCOUNTANT GENERAL,
QUEEN'S ROAD, BOMBAY.

No. OA/Gad-26 Dt. 6 Oct. 1952

Bombay the October 1952.

addressed to -

FROM
THE EXAMINER, OUTSIDE AUDIT DEPARTMENT.
THE ACCOUNTANT GENERAL,
The Accountant General, Bombay
Universal Assurance Building, 4, BOMBAY.
Sir, P. M. Road, BOMBAY No.

To
The Asstt: Secretary to the Government of Bombay,
Public Works Department,
Bombay.

SIR,

Subject:- Accounts of Gadag Electric Supply Company Limited for the years ended 31.3.1950 and 31.3.1951.

Reference:- Govt.letter, Public Works Department No. D.1152-K dated 24.9.1952 P-54

This office has no remarks to offer on the Electrical Engineer's note on para 10(a)(5) of the audit report referred to above. The Company may be informed accordingly to the suggestions of the Electrical Engineer and it may be asked to carry out the necessary adjustment in the accounts.

Orders of Govt. on para 13 of the audit report for 1949-50 and 1950-51 are awaited.

Yours faithfully,

Examiner, Outside Audit (II)
Accountant General's Office, Bombay.

vvg/43.x

PRJ

K. B.

P. W. D.

Submitted with P.L. of p. 59 ante.

2 Annexure

10-11-52

Submitted

Submitted
1.11

(Rs 1151.54[illegible])

K
6.X

P. W. D.
Receipt No. (P.D) 1152
Dated the 93545

K
6-10-52

N. B.- Bills to be paid in Gadag only and it is understood that orders and payments asked or accepted by any of our Canvassers are understood to be on behalf of our Gadag office. All disputes to be settled in Gadag Court only.

PROPRIETOR S. A. MANVI.

Licensed
ELECTRIC CONTRACTORS.

Suppliers of

ELECTRICAL ACCESSORIES
PUMPS.
MOTORS.
DYNAMOS.
SWITCHGEAR.
FITTINGS.
HEATERS.
LAMPS.
FANS.

Stock

DOUBLE ROLLER GINS, SAWGINS & SUNDRIES, PIPES AND FITTINGS FOR ALL REQUIREMENTS.

FILES, BOLTS, NUTS, OF ALL SIZS, STEAM GAUGE, GLASSES, RUBBER RINGS ASBESTOS SHEETS AND ROPES.

All kinds of

AGRICULTURAL IMPLEVENTS & C. I. RAILINGS & COIR MATTINGS.

MOTOR TYRES, TUBES & SPARES OF ALL MAKERS.

MANVI BROTHERS.

(Sole Pro.: S. A. Manvi.)

ELECTRIC LIGHT AND POWER SUPPLIERS,
Gadag-Betigeri, Byadgi and Ranebennur.
Distributors for:
Caltex, Kerosine, Petrol, Crude-oil Lubricating-oil & other products.

Tele : MANVI BROS.

Gadag 1st December 1952
(India)

To,

The Assistant Secretary to Govt.,of Bombay,
Public Works Department, Bombay.

subject:-Accounts for the year ended
31st March 1950 and 31 March 1951.
of Gadag Electric Undertaking.

Sir,

With referance to your letter No.LGD.1152 K dated 24th September 1952, we here-with beg to submit our reply as under:-

Para-3. Referance is being made to Government, as required by para VI(a) of the Sixth Schedule.

" 5A. No Remarks.

" 5B. The meters were transferred to Haveri at cost price The question of adjustment therefore does not arise It will be further seen that the Capital Account wa credited with Rs.473-10-0 and not debited as stated

" 9.2. Noted. Action will be taken as suggested by Audit.

" 10. (1) (2) (4) Remarks noted.
(3) There are no second-hand assets.

" 6. The depreciation was charged through misunderstandin It will be now adjusted. There are no items of second-hand assets or items covered by item D of the seventh schedule.

" 11. Error will be set right in next accounts.

" 14A. No Remarks.

" (b). Noted.

" (c). Noted.

" 15 &16. The payments made to the working partners of the

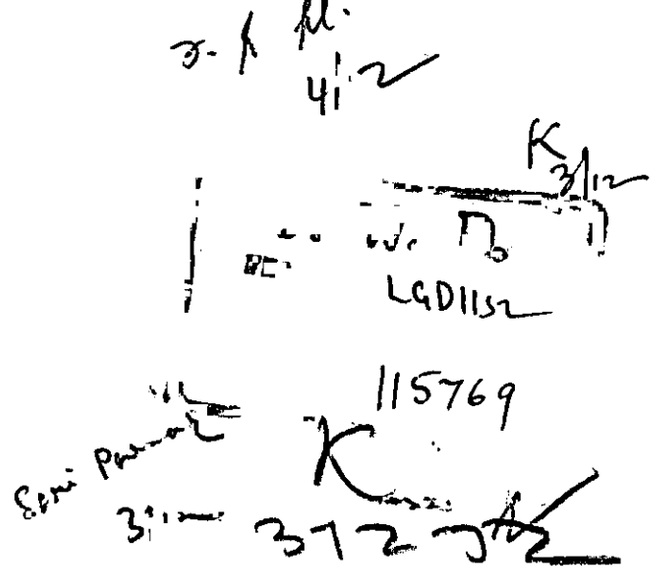
continued. . . . . .

concern is for the services actually rendered by them and is covered by para 17.B(IX). The exclusion of this amount for the purpose of working out clear profit is therefore not understood.
No- Provision for previous losses, taxes on income, and profits, arrears of depreciation, and contribution to ~~xxxxxx~~ contingent reserve hav-e been made as required by para 17 (2) (c), in arriving at the clear profit. If this is done, there will be no excess but a defficiet. The figures on this account will be worked out in consultation with the audit and the correct position furnished to audit.

Yours faithfully,
FOR MANVI BROTHERS.GADAG.

V.R.Bulla

MANAGER:



Letter 7+61

No L&D 1152 K

P. W.D.
B. C. (Bbay No. 1)
13th December 1952

To

The Examiner, Outside Audit Deptt.
Accountant General's Office.
Bombay.

Subject: Accounts of the Gadag Electric supply Co. Ltd., for the years ended 31-3-1950 and 31-3-1951

Ref. :- G. Endt No. L&D 1152 K dt the 24-9-52. — ℔. 59

2. The enclosed copy of letter No. Nil. ℔. 65-67 dt. the 1st December 1952, from the Gadag Electric supply Co. Ltd., is forwarded to you for favour of remarks thereon, which should please be submitted through the Electrical Engr. to Govt.

By order etc

D. A.: Copy of letter refd to ℔. 65-67

Asst. Sect. etc
P.W.D.

Copy, with a copy of letter No. Nil ℔. 65-67 dt the 1st December, from the Gadag El. Supply Co. Ltd forwarded to the El. Engr to Govt. with ref. to Govt. Endt. No. L&D-1152-K. dt the 24-9-1952 ℔. 5.7

2. The El. Engr. is requested to communicate his remarks in the matter, on receipt of the remarks from the Examr, O. A. D.

W/A accepts.

ISSUED
Date 15/12/52

5/12

12/12

Reply to be Addressed to:

THE EXAMINER, OUTSIDE AUDIT DEPARTMENT.
Branch Office of The Accountant General, Bombay,
Universal Assurance Building, 4th Floor,
Sir, P. M. Road, BOMBAY No. 1

No.OA/

To

The Asstt.Secretary to the Govt.of Bombay,
Public Works Department.(Through Electric Engr.to Govt
Bombay.

Sub: Accounts of Gadag Electric Supply Co.Ltd.for the years ended 31-3-50 and 31-3-51.
Ref: G.L.P.W.D.L.G.D.1152 K dt.13-12-52.

Sir,

The following remarks are offered on the Company's replies to the audit report for the year ended 31-3-50 and 31-3-51

Para 3 : Further communication is awaited.

Para 5(a) and 14(a):- No remarks.

Para 5(b): An extract of this para may be forwarded to the company for necessary action.

Pars 5(c),9,10(a)(1,2,3,4, and 6); 11; 14(b)(c): - The company's action on the suggestions contained in these paras will be verified at next audit.

Paras 10(a)(5)and 13(b):- Orders of Government are awaitdd.

Para 15 and 16(a) : As regards the exclusion of the item of payment of remuneration to working partners it may be stated that there is not provision in the Sixth Schedule to the Electricity(Supply)Act covering this payment .In this connection a reference is invited to para 13(a)of the audit report on which orders of Govt.are awaited.

The items arrears of depreciation , contingency reserve and taxes on income and profits, were not taken into account as the details thereof were not available.

The item of previous losses can only be included of it represents excess of expenditure(vide para XVII(2)(b))over income (para XVII(2)(a)) i.e.this excess should be exclusive of interest on loans and advances. Subject to these remarks the company's proposal is accepted.

Yours faithfully,

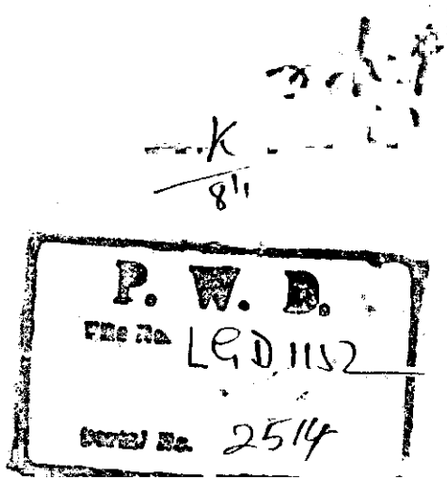
(S.R. NATHAN)
ASSTT.EXAMINER,OUTSIDE AUDIT.

No.OA/15018 dt. 3-1-53

Copy forwarded to the Secretary to the Government of Bombay, Public Works Department for information.

ASSTT. EXAMINER, OUTSIDE AUDIT.

D.30/12


P. W. D.
File No. LGD.1152
Serial No. 2514

No. LGD 1152 K.

Letter at 79 / 65

LGD 1152/2517

P. W. D.

B. C. (Bbay No 1)

1st May 1953

To The Tl. Engr. to Govt.

Sub: Accounts of Godavy Ely. Undertaking for the years ended 31-3-1950 and 31-3-1951

A copy of letter No. OA/15016, dt. the 3-1-53 from the Examiner, Outside Audit Deptt. has been inadvertently sent to this Deptt. along with the original and the same is forwarded to you with a request to submit your remarks in the matter, if any.

4.73

4.73

4.75

RECEIVED 2-5-53 PM

D.A.: Copy of letter

1/5/53

By order

Supdt. P. W. D. Sec

Telegraphic Address—ACCOUNTS.

81-67

A. G. 37(6).

No. OM/C/531

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters above the No. as given opposite, may be quoted, *and the reply addressed to*—
THE ACCOUNTANT GENERAL,
QUEEN'S ROAD, BOMBAY.

Bombay 6 May 1953, *19*

FROM

THE ACCOUNTANT GENERAL,
BOMBAY.

To

The Asstt:Secretary to the Govt.of Bombay,
Public Works Department,Bombay.

SIR,

Subject:Accounts of Gadag Electric Supply Company Ltd.,
for the years ended 31.3.50 to 31.3.51.

Ref:~~G.R.No.~~ Govt.P.W.D.Memo LGD.1152.K dt 19.2.53. 1.76

The replies of the Co. to audit report for 1949.50 and 1950-51 were examined locally during the audit of the a/cs for the year ended 31.3.52 and the further remarks where necessary have been incorporated in the audit report for 1951-52 which has been forwarded to Govt.under this office No. CA.C.118 dated 10.4.53.

Yours faithfully,

Asstt:Examiner,Outside Audit

D. No LGD1153/1047
will be put up if reqd

85 69

No. LA 7| 1756
P.W.D.Offices, Churchgate Street,
Fort, Bombay. 13th May 1953.

To

The Chief Engineer,
Public Works Department,
Bombay.

Sub:-Accounts of Gadag Electricity Undertaking for the years ended 31-3-1950 and 31-3-1951.

Ref:-Letter from the Assistant Examiner Outside Audit No. OA/15017, dated 3rd January 1953 addressed to the Assistant Secretary to the Government of Bombay, Public Works Department and Government letter P.W.D. No. LGD 1152 K dated 1st May 1953.

I have no remarks to offer.

Electrical Engineer to Government.

2 Papers.

70

No. LPO 1151 K.

Public Works Department,
Bombay Castle, (Bombay No.1),
9th February 1954.

From

Shri B.R. Joglekar,
Assistant Secretary to the Government of Bombay,
Public Works Department.

To

The Examiner Outside Audit,
Accountant General's Office,
Bombay.

Subject:- Electricity (Supply) Act 1948:
Clarification of certain points in
respect of -

.....

Sir,

1. Expenses on account of management.- With reference to your un-official reference No. OA/17785, dated the 31st March 1951, I am directed to inform you that the expression "management" means administration, control, etc. The expenses on account of Directors' fees, Head office salaries, printing and stationery appear to be incurred for the conduct of the business and would appear to be incurred on management within the meaning of paragraph XVII(2)(b)(IX) of the Sixth Schedule to the Electricity (Supply) Act, 1948.

2. Bonus to staff - As regards the bonus to staff I am directed to state that item XII of sub-paragraph 2 of paragraph XVII of the Sixth Schedule includes Provident Fund, Staff pension and gratuity, but does not include "Bonus". It does not therefore seem necessary to include this item as an item of expenditure unless it is enforced by the Award.

3. Appropriation for Income-tax.- As regards the term all taxes on income and profits under item (ii) of Sub-paragraph 2(c) of paragraph XVII of the Sixth Schedule I am directed to state that for the purposes of this paragraph only the actual amount of income tax paid can be taken into consideration while arriving at a clear profit. There is no authority under the provision of this paragraph to appropriate a sum in excess of the actual income-tax demand. The view taken by you that the actual amount of tax assessed and paid should be allowed and not the amount assessed by the licensee is correct.

4. Proprietor's Remuneration.- Under clause (b) of paragraph XVII(2) of the expenditure incurred on management including managing agent's remuneration can be debited. If the Proprietor of a concern himself manages the business, there would be no legal objection to his claiming a reasonable remuneration which can be included in the expenditure on management under clause (b) of paragraph XVII(2). This has reference to paragraph 8 of the Audit report on the account of the Igatpuri Electric Supply Company for the year ended 31st March 1950 forwarded with your letter No. OA/256/3288, dated 23rd June, 1951.

5. Clear Profit:- Paragraph XVII(2)(a)(iii) specifies income derived from sale and repairs of lamps and apparatus. "Apparatus" means a set of materials for a given work. In respect of sale of stores, comprising, apparatus and appliances employed in the transmission and use of electricity, income from such sale would fall under paragraph XVII(2)(a)(iii). However the income derived from the wiring work, which is incidental to and related to the

business .....

business of electric supply would fall under paragraph XVII(2)(a)(VII) of the Sixth Schedule of the Electricity (Supply) Act, 1948. This has reference to paragraph 13(a) of the audit report on the accounts of the Jalgaon Electricity Undertaking for the year ended 31st March 1950 forwarded with your letter No. 04/258/3893, dated 13th July 1951.

6. Service Connection fees - The service connection fees are different from the cost of service lines the net cost of which after deducting contributions made by consumers in accordance with section vi(1) proviso first (b) of the schedule to the Indian Electricity Act 1910, forms part of capital base - vide paragraph XVII of the Sixth Schedule to the Electricity (Supply) Act, 1948. These service connections fees should therefore be treated as "other general receipts arising from and ancillary to the business of Electricity Supply" vide sub-paragraph (2)(a)(vii) of paragraph XVII of the Sixth Schedule to the Electricity (Supply) Act, 1948. This has reference to paragraph 4(a)(ii) of the audit report on the accounts of the Kalyan Electricity Undertaking for the year ended 31st March 1950.

7. Net Revenue Account. Government agrees with your view expressed in paragraph 5(a) of the Audit Report on the accounts of the Andhra Valley Power Supply Company limited for the year ended 30th June 1950 that the loss amounting to Rs. 3,555 on sale of investment should be properly debitable to the "Contingency Reserve" and should accordingly be excluded from the calculation of clear profit.

Yours faithfully,

B.R. Joglekar

Assistant Secretary to the Government of Bombay,
Public Works Department.

D.A.-Nil.

Copy forwarded to -

the Electrical Engineer to Government (with reference to his Memorandum No. LA.5/12074, dated the 7th January 1954),

the Chief Engineer, Bombay Electric Grid (with reference to his Memorandum No. P.L.2(i)/38356, dated the 16th October 1953),

for information.

SAM.
9/2/54.

13/8/54